

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: October 25, 2012**

**SUBJECT:** First Public Hearing for Extension of the Alternative Local Expenditure Limitation

**SUBMITTING DEPARTMENT:** Management, Legal and Management Services

**PREPARED BY:** Larry Tarkowski, Town Manager  
Ivan Legler, Town Attorney  
William E. Kauppi, Management Services Director  
Diane Russell, Town Clerk

**AGENDA LOCATION:** Comments/Communications , Consent , Work/Study ,  
New Business , Public Hearing , Second Reading

---

**ATTACHMENTS:** a) Resolution No. 1814 and, b) Alternative Expenditure Limitation Detailed and Summary Analyses

---

**SUMMARY/BACKGROUND:** The Arizona State Constitution permits the submission of an Alternative Expenditure Limitation (also called a Home Rule Option) to the voters of a city or town. This expenditure limitation, if approved, is in effect for four years. The Mayor and Council approved an Alternative Local Expenditure Limitation in 1981 and have referred to the voters every four years thereafter, the option of extending this Alternative Local Expenditure Limitation for the Town of Prescott Valley. The Town has adopted an extension to the Alternative Local Expenditure Limitation in the years 1985, 1989, 1993, 1997, 2001, 2005 and 2009.

The Town would again like to propose an extension of the Alternative Local Expenditure Limitation to the Prescott Valley voters in 2013. Two public hearings must be conducted to determine whether an extension is necessary for the Town of Prescott Valley and this is the first one to be held. The second public hearing will be held on November 1, 2012, and Council, after hearing public comments, may decide to approve by resolution, a proposal for an extension of the Alternative Local Expenditure Limitation, and that this proposal be submitted to the voters of the Town of Prescott Valley at the March 12, 2013 primary election.

---

**OPTIONS ANALYSIS:** Public Hearing; no options proposed.

---

**ACTION OPTION:** Public Hearing; no action required.

---

**RECOMMENDATION:** Public Hearing; no action recommended.

---

**FISCAL ANALYSIS:** The standard Arizona expenditure limitation does not generally provide rapidly growing communities like Prescott Valley with the financial and budget flexibility to meet its needs. That is why the Town has sought an alternative expenditure limitation throughout its history. That limitation is set each year as part of the budget process. Because budgets must be balanced each year, expenditures are limited by revenues available. Reliance on the standard expenditure limit could actually have the undesirable result of limiting expenditures even though the revenues are available.

---

**REVIEWED BY:**

Management Services Director \_\_\_\_\_

Town Clerk \_\_\_\_\_

Town Attorney \_\_\_\_\_

Town Manager \_\_\_\_\_

---

**COUNCIL ACTION:**

Approved  Denied  Tabled/Deferred  Assigned to \_\_\_\_\_